

**STATE OF MISSISSIPPI  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

TOPIC	EXPENDITURES	SUB-SECTION 11.40.20
SECTION	WAIVERS	ISSUANCE DATE August 14, 2015
SUB-SECTION	LAPSE PERIOD WAIVERS	REVISED – 7/2017

### **LAPSE PERIOD WAIVER PROCESS**

#### **Waiver of Certification**

In accordance with section 7-7-27, Miss. Code Ann. (1972), DFA may waive, under certain circumstances, the requirement for certification that the goods or services rendered have been delivered or performed. "Such waivers may pertain to, but should not be limited to, prepaid items, service contracts of limited time periods for lease of office space and equipment, computer software and sub grantee disbursements under federal grant program." There are two types of waivers OFM may grant: a prepayment for goods or services during the normal course of business, and lapse period payments for goods and services with delayed delivery at year end.

#### **Lapse Period Waivers**

Waivers may be granted for goods or services that were encumbered at June 30 that will not be delivered or performed before the end of the lapse period **due to reasons beyond the agency's control**. The agency should send a letter to DFA Office of Fiscal Management requesting a Lapse Period Waiver.

**Waivers will not be considered for items under \$1,000.00.**

The letter should include at a minimum the vendor name, the PO number, and an expected receipt or performance date. Other information that must be included depends on the type of PO; please refer to the process that applies to the kind of PO for which you are requesting a lapse period waiver for the other necessary information. **A statement from the vendor explaining why the goods or services will not be delivered or performed by August 31 must be attached.** Waivers will not be granted unless there are extenuating circumstances nor for a date later than October 31. Sub-Section 11.40.25 is an example of the letter to be used when requesting a lapse period waiver.

If a waiver is granted, a paper warrant is generated for the vendor even if the vendor normally receives payments via Paymode. OFM holds the warrant until the goods or services have been received or the extension date arrives. When the goods or services have been received, a memo notifying OFM of the receipt along with the invoice should be sent via email to OFM. OFM will attach those documents to the invoice and release the check to the agency for distribution to the vendor.

If a waiver is not granted, the agency will need to pay for the goods or services out of the current year budget and cash.

If the vendor cannot deliver or perform the goods or services by October 31, the agency may request a second extension by sending a second request letter to DFA OFM. **A statement from the vendor explaining the circumstances must be attached.** DFA OFM will consider the circumstances and either approve or deny the request for a second extension. If DFA approves the request, the extension will be granted for a date **no later** than December 1.

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If the extension is not granted, the agency will need to pay for the goods or services out of the current year budget and cash.

## **Lapse Period Waiver Process**

There are four different processes that may be followed, depending on the type of goods being acquired and whether there has been a partial payment against the PO. The processes are defined as follows:

1. Commodity or Service, no partial payment against the PO.
2. Commodity or Service, partial payment has been made against the PO.
3. Asset, no partial payment against the PO.
4. Asset, partial payment has been made against the PO.

### **1. Commodity or Service, no partial payment against the PO**

Prepare the Lapse Waiver Request Letter, and include the vendor name, the PO number, and an expected receipt or performance date. Please include an email address for receipt of the response from OFM. Attach a copy of the PO and the statement from the vendor that explains why the goods or services will not be delivered or performed by August 31. Send this letter to DFA OFM via hand mail or mail to P. O. Box 1060, Jackson MS 39215. OFM will respond via email to the contact on the request letter.

If approved:

Display vendor record using FK03 and verify that the payment method is either LW or LP. If not, email OFM a listing of the vendor numbers you need to use for your lapse payments. Send that list in an Excel format to [OFMMAGIC@dfa.ms.gov](mailto:OFMMAGIC@dfa.ms.gov). **DO NOT PROCEED UNTIL THE VENDOR RECORD HAS LW OR LP WHICH HAS TO BE ENTERED BY OFM.**

Once vendor record shows LW or LP, enter invoice using transaction code **MIR7** and document type **XL**. A Goods Receipt (**WE** document) is not required and **SHOULD NOT** be entered when using the **XL** document.

In the **Header Text Field** of the document put **LAPSE PERIOD WAIVER REQUEST**.

Select the payment tab within the document and enter '**L**' as the payment method. By selecting '**L**', a single paper warrant will be generated for this payment.

The received date field **MUST** be populated with the date of **09/01/2017**.

Attach the request letter, PO, statement from the vendor, and OFM approval email to the **XL** document in MAGIC.

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Email the agency's business area and all XL document number(s) released in MAGIC to the OFM Bureau of Financial Control at [ofm.bfc@dfa.ms.gov](mailto:ofm.bfc@dfa.ms.gov).

All XL documents route to OFM for approval.

## **2. Commodity or Service, partial payment has been made against the PO**

Prepare the Lapse Waiver Request Letter, and include the vendor name, the PO number, and an expected receipt or performance date. **VERY IMPORTANT: Also include the lines on the PO, the quantity, and the amount for which a lapse waiver is being requested.** Please include an email address for receipt of the response from OFM. Attach a copy of the PO and the statement from the vendor that explains why the goods or services will not be delivered or performed by August 31. Send this letter to DFA OFM via hand mail or mail to P O Box 1060, Jackson MS 39215. OFM will respond via email to the contact on the request letter.

If approved:

The lines on the PO referenced in the request letter will be modified by OFM, and an email will be sent to the contact person on the letter. At that time, the PO will need to be approved by the agency, and then a notification sent to OFM at [ofm.bfc@dfa.ms.gov](mailto:ofm.bfc@dfa.ms.gov).

OFM will then remove the goods receipt flag, and will notify the agency to enter the invoice.

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### 3. Asset, no partial payment against the PO

Prepare the Lapse Waiver Request Letter, and include the vendor name, the PO number, and an expected receipt or performance date. Please include an email address for receipt of the response from OFM. Attach a copy of the PO and the statement from the vendor that explains why the goods or services will not be delivered or performed by August 31. Send this letter to DFA OFM via hand mail or mail to P O Box 1060, Jackson MS 39215. OFM will respond via email to the contact on the request letter.

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Only one vehicle should be listed per XL document. For other large purchases such as furniture, computers, etc., those purchase should be limited to 10 to 15 items per XL document. This will provide flexibility in the event that all merchandise is not received.

**The asset number(s) should be removed from the account assignment line(s) FIRST, then the G/L account and commitment item should be changed to the correct corresponding direct capital outlay account. Ensure that there are no asset numbers on the documents before saving as complete.**

Capital Outlay – Building – Direct	63100100
Capital Outlay – Equipment – Direct	63200100
Capital Outlay – Vehicles – Direct	63300100
Capital Outlay – Wireless Comm Devices – Direct	63400100

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#### **4. Asset, partial payment has been made against the PO**

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Capital Outlay – Vehicles – Direct	63300100
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## **Asset Shells**

After the lapse waiver has been processed for assets and the asset has been received by the agency, the agency should post value to the asset by using the ABZON transaction code with a transaction type of X17 with corresponding offsetting accounts which can be found at the following link [http://uperform.magic.ms.gov/ucontent/085cd4a9c4b54e5b984fcdfdbb623f7\\_en-US/index.pdf](http://uperform.magic.ms.gov/ucontent/085cd4a9c4b54e5b984fcdfdbb623f7_en-US/index.pdf).

If the agency deleted the asset shells associated with the purchase order, then the agency would need to create new asset shells via transaction code AS01 using the same funding combination as used to pay the invoice and applying value to the assets by using transaction code ABZON with transaction type X17 with corresponding offset accounts as identified in the job aide linked above.

The document date should reflect the PO date, and the posting and asset value date should be the date when agency actually received the goods. The amount posted should match the PO value for that asset.

Please see the u-perform for ABZON at <http://uperform.magic.ms.gov/gm/folder-1.11.5684?mode=EU>.